

SECURITY



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OMB Number: 3235-0123  
Expires: January 31, 2007  
Estimated average burden  
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## SEC FILE NUMBER

8-29445

ANNUAL AUDITED REPORT  
FORM X-117A-5  
PART III

## FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/2014 AND ENDING 12/31/2014  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: HORIZONS FINANCIAL INVESTMENT CORP.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS, (Do not use P.O. Box No.)

FIRM I.D. NO.

151 Harrington Circle

(No. and Street)

Willingboro, NJ 08046

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Richard J. Isackson609-877-3355

(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Harrison, Mauro & Morgan

(Name - if individual, state last, first, middle name)

586 High Street, P.O. Box 400, Burlington, NJ 08016

(Address)

(City)

(State)

(Zip Code)

CHECK ONE;

☒ Certified Public Accountant☐ Public Accountant☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption- See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

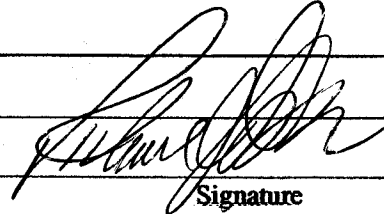
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3/23/15

## OATH OR AFFIRMATION

I, RICHARD J. ISACKSON, CFP, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of HORIZONS FINANCIAL INVESTMENT CORP., as of December 31, 2014, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Notary Public of New Jersey  
My Commission Expires April 25, 2015

  
Signature

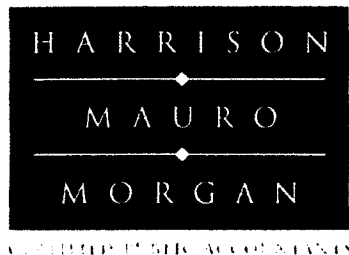
PRESIDENT  
Title

  
Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 156-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 156-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 156-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

"For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



STEVEN M. HARRISON, CPA  
RICHARD L. MAURO, CPA  
WILLIAM J. MORGAN, CPA  
WILLIAM A. BAKER, CPA (1991-2002)

◆  
*A Peer Reviewed Member of the  
American Institute of Certified Public  
Accountants*

◆  
*A Member of the New Jersey Society  
of Certified Public Accountants*

February 16, 2015

Board of Directors  
Horizons Financial Investment Corporation

RE: Financial and Operational Combined Uniform Single (Focus) Report, Form X-17A-5, Parts IIA and III, and Schedule I, January 1, 2014 to December 31, 2014

Gentlemen:

The annual audited Financial and Operational Combined Uniform Single (FOCUS) Report, Form X-17A-5, Parts IIA and III, and Schedule I for the period beginning January 1, 2014 and ending December 31, 2014 does not differ materially from the unaudited reports filed for the same period.

Harrison, Mauro & Morgan, P.A.

*Harrison, Mauro & Morgan, P.A.*

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Fax 609-386-6446



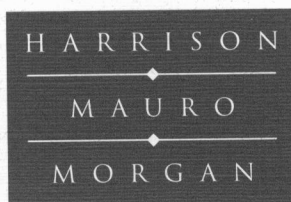
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**HORIZONS FINANCIAL  
INVESTMENT CORPORATION**

**REPORT ON AUDITS OF  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2014 and 2013**



CERTIFIED PUBLIC ACCOUNTANTS

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**HORIZONS FINANCIAL  
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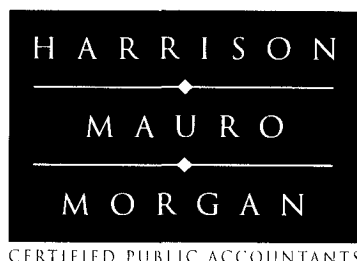
**REPORT ON AUDITS OF  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2014 and 2013**

## HORIZONS FINANCIAL INVESTMENT CORPORATION

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Board of Directors  
Horizons Financial Investment Corporation  
Willingboro, NJ

STEVEN M. HARRISON, CPA  
RICHARD L. MAURO, CPA  
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### **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying statements of financial condition of Horizons Financial Investment Corporation as of December 31, 2014 and 2013, and the related statements of income, changes in stockholders' equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the years then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplemental information. The Company's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial condition of the Company as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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HARRISON

MAURO

MORGAN

CERTIFIED PUBLIC ACCOUNTANTS

The accompanying supplemental information including Schedule I – Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission, Schedule II - Reconciliation of Computation of Net Capital Pursuant to Rule 15c3-1, and Schedule III - Exemptive Provision under SEC Rule 15c3-3 have been subjected to audit procedures performed in conjunction with the audits of the Company's financial statements. The supplemental information is the responsibility of Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Harrison, Mauro & Morgan, PA*

Harrison, Mauro & Morgan, PA

February 16, 2015



The CPA, Never Underestimate The Value.



**HORIZONS FINANCIAL INVESTMENT CORPORATION**  
**STATEMENTS OF FINANCIAL CONDITION**  
**DECEMBER 31,**

ASSETS

CURRENT ASSETS:	<u>2014</u>	<u>2013</u>
Cash	\$ 6,499	\$ 7,200
Cash, Restricted SDL	10,000	10,000
Investments	<u>19,184</u>	<u>15,920</u>
 TOTAL CURRENT ASSETS	 35,683	 33,120
 FIXED ASSETS:		
Computer	4,547	4,547
Accumulated Depreciation	<u>(4,547)</u>	<u>(4,547)</u>
	<u>-</u>	<u>-</u>
 OTHER ASSETS		
Deferred taxes	<u>600</u>	<u>1,000</u>
 TOTAL ASSETS	 \$ <u>36,283</u>	 \$ <u>34,120</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts Payable	\$ 19,047	20,224
Income taxes payable	500	500
Interest Payable	-	1,000
SDL Collateral Payable	<u>10,000</u>	<u>10,000</u>
 TOTAL CURRENT LIABILITIES	 29,547	 31,724
 STOCKHOLDERS' EQUITY:		
Common Stock, authorized 2,500 shares, no par value; 2000 shares issued and outstanding	2,000	2,000
Accumulated other comprehensive income	11,384	8,120
Retained (Deficit)	<u>(6,648)</u>	<u>(7,724)</u>
 TOTAL STOCKHOLDERS' EQUITY	 <u>6,736</u>	 <u>2,396</u>
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	 \$ <u>36,283</u>	 <u>34,120</u>

See Notes to Financial Statements.

**HORIZONS FINANCIAL INVESTMENT CORPORATION**  
**STATEMENTS OF INCOME**  
**YEARS ENDED DECEMBER 31,**

	<u>2014</u>	<u>2013</u>
REVENUES		
Commission Income	\$ 51,691	\$ 37,183
EXPENSES		
Computer Expenses	3,409	5,573
Cable	2,583	2,447
Fees, registrations, etc.	2,095	3,942
Interest	1,000	1,000
Depreciation	-	517
Dues and Subscriptions	963	562
Miscellaneous	3,249	989
Office Supplies and Expenses	151	659
Postage	329	75
Professional fees	10,230	6,280
Rent	16,200	10,200
Repairs and Maintenance	2,453	504
Telephone	2,158	2,140
Training, Seminars, etc.	1,272	804
Travel and Entertainment	147	449
Utilities	3,476	3,612
TOTAL OPERATING EXPENSES	<u>49,715</u>	<u>39,753</u>
INCOME BEFORE INCOME TAXES	1,976	(2,570)
PROVISION FOR INCOME TAXES	<u>900</u>	<u>1,396</u>
NET INCOME (LOSS)	1,076	(3,966)
OTHER COMPREHENSIVE INCOME (LOSS)		
NET OF TAXES		
Unrealized gain on Investment	<u>3,264</u>	<u>5,924</u>
NET COMPREHENSIVE INCOME	<u>4,340</u>	<u>1,958</u>
BASICS EARNINGS PER SHARE	<u>\$2.17</u>	<u>\$0.97</u>

See notes to Financial Statements.

**HORIZONS FINANCIAL INVESTMENT CORPORATION**  
**STATEMENTS OF STOCKHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>Common Stock</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
Balance at January 1, 2013	\$ 2,000	(1,562) \$	438
Net Comprehensive Income - 2013	<u>-</u>	<u>1,958</u>	<u>1,958</u>
Balance at end of December 31, 2013	\$ <u>2,000</u>	\$ <u>396</u>	\$ <u>2,396</u>
Net Comprehensive Income - 2014	-	4,340	4,340
Balance at end of December 31, 2014	\$ <u>2,000</u>	\$ <u>4,736</u>	\$ <u>6,736</u>

See Notes to Financial Statements.

**HORIZONS FINANCIAL INVESTMENT CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31,**

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 4,340	\$ 1,958
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense		517
Deferred taxes	400	867
Net Unrealized Gain on investments	<u>(3,264)</u>	<u>(5,924)</u>
Increase (Decrease) in operating liabilities:		
Accounts Payable	(1,177)	3,534
Income Taxes Payable	-	(20)
Interest Payable	<u>(1,000)</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(701)</u>	<u>932</u>
NET INCREASE IN CASH	<u>(701)</u>	<u>932</u>
CASH AT BEGINNING OF YEAR	<u>7,200</u>	<u>16,268</u>
CASH AT END OF YEAR	\$ <u>6,499</u>	<u>17,200</u>
SUPPLEMENTAL DISCLOSURES:		
Interest Paid	\$ <u>1,000</u>	<u>1,000</u>
Income Taxes Paid	\$ <u>-</u>	<u>-</u>

See Notes to Financial Statements.

**HORIZONS FINANCIAL INVESTMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Horizons Financial Investment Corporation conducts its business as a broker/dealer in Securities and is a registered member of F.I.N.R.A. and S. I. P. C.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents

For purposes of the statement of cash flows, short term investments which have an original maturity of ninety days or less are considered cash equivalents.

Subsequent Events

The Company has evaluated subsequent events through February, 16, 2015, which is the date the financial statements were available to be issued.

**HORIZONS FINANCIAL INVESTMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014 AND 2013**

Note A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable at the balance sheet date represents commissions due from a trade made in the prior year. Any accounts receivable deemed uncollectible are charged to expense in the year of uncollectibility. An allowance for doubtful accounts is maintained based on maturity of accounts receivable.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight line method over five years. Maintenance and repairs are charged to operations when incurred.

Investments

Investments in marketable securities are valued at fair market value in the statement of financial condition. Unrealized gains and losses are included in the statements of income.

Commissions

Commissions and related clearing expenses are recorded on a trade-date basis as transactions occur.

Note B- LEASE COMMITMENTS, RELATED PARTY TRANSACTIONS

The Company leases space and various pieces of equipment, furnishings and fixtures from the President on a month to month basis. Office rent in the amount of \$16,200 was paid for 2014 and \$10,200 for 2013. Lease payments for office equipment were \$600 in 2014 and 2013, respectively.

**HORIZONS FINANCIAL INVESTMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014 AND 2013**

Note B- LEASE COMMITMENTS RELATED PARTY TRANSACTIONS (continued)

\$13,048 and \$17,224 of accounts payable relate to amounts owed to President for these lease amounts, for December 31, 2014 and 2013

Note C- SECURED DEMAND LOAN

The Company is obligated under a subordinated demand note payable to its Secretary and Stockholder in the amount of \$10,000. This note bears interest at the rate of 10% per annum payable semiannually. The note is secured by segregated restricted cash funds.

Note D- NET CAPITAL REQUIREMENTS

The Company is subject to the securities and exchange commission Uniform Net Capital Rule (Rule 15C3-1) which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital both as defined shall not exceed 15 to 1 (and the rule of applicable exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2014 and 2013 the Company had net capital of \$12,493 and \$8,743, respectively. The Company's net capital ratio was 1.56 to 1 for December 31, 2014 and 2.48 to 1 for December 31, 2013.

**HORIZONS FINANCIAL INVESTMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note E- INCOME TAXES

The provision for income taxes on the income statement consist of the following:

	<u>2014</u>	<u>2013</u>
Federal:		
Current provision	\$ -0-	\$ -0-
Deferred	<u>300</u>	<u>537</u>
	300	537
State:		
Current provision	500	530
Deferred	<u>100</u>	<u>329</u>
	600	859
	<u>\$ 900</u>	<u>\$1,396</u>

The company has a net operating loss carry forward of \$9,500 for federal and state income taxes that will expire from 2030 - 2031 for federal income tax purposes and 2018-2019 for state income tax purposes.



**HORIZONS FINANCIAL INVESTMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note F- INVESTMENTS

Investments are stated at fair value unless otherwise noted at cost, and consist of the following as of:

		<u>December 31, 2014</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain On Investment</u>
Marketable securities	\$ <u>7,800</u>	\$ <u>19184</u>	\$ <u>11,384</u>

		<u>December 31, 2013</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain On Investment</u>
Marketable securities	\$ <u>7,800</u>	\$ <u>15,920</u>	\$ <u>8,120</u>

This investment is considered a level 1 input in the fair value hierarchy.

**HORIZONS FINANCIAL INVESTMENT CORPORATION**  
**COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1 OF THE**  
**SECURITIES AND EXCHANGE COMMISSION**  
**YEARS ENDED DECEMBER 31,**

Page 12

	<u>2014</u>	<u>2013</u>
Net Capital	\$ 6,736	\$ 2,396
Deduct: Stockholders' Equity not allowable for net capital	_____ -	_____ -
Total Stockholders' Equity qualified for net capital	6,736	2,396
Add: Subordinated borrowings allowable in computation for net capital	10,000	10,000
Other allowable credits	-	-
Total Capital and allowable subordinated liabilities	_____ 16,736	_____ 12,396
Deductions and/or Charges:		
Total nonallowable assets from Statement of Financial Condition	_____ (1,000)	_____ (1,000)
Net Capital before haircuts on security positions	15,736	11,396
Haircuts on Securities	_____ (3,143)	_____ (2,653)
Net Capital	_____ 12,593	_____ 8,743

**HORIZONS FINANCIAL INVESTMENT CORPORATION**  
**RECONCILIATION OF NET CAPITAL PURSUANT TO 15C3-1**  
**SECURITIES AND EXCHANGE COMMISSION**  
**YEARS ENDED DECEMBER 31,**

Page 13

	<u>2014</u>	<u>2013</u>
Net Capital as reported in Company's (unaudited) Focus report	\$13,493	\$9,097
Audit Adjustments		
Change in tax payable and deferred taxes	<u>(900)</u>	<u>(354)</u>
Net Capital per audited financial statements	<u>\$12,593</u>	<u>\$8,743</u>

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risackson@comcast.net

# Horizons Financial Investment Corp.

## SEA RULE 15c3-3k(1) EXEMPTION

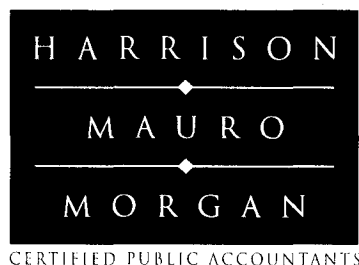
1 February 2015

Horizons Financial Investment Corp is a direct writer with mutual fund companies and as such does not hold money or securities for clients. Upon receipt of check/s written to a Mutual Fund, it/they are forwarded within 24 hours. All of these requirements were met for the period January 1, 2014 to December 31, 2014, therefore qualifying Horizons Financial Investment Corp. for exemption under SEA Rule 15c3-3k-1.



Richard J. Usackson, President

*Member Firm NASD & SIPC*



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### **Review Report of Independent Registered Public Accounting Firm on Exemption Provision**

Board of Directors  
Horizons Financial Investment Corporation  
Willingboro, NJ

We have reviewed management's statements, included in the accompanying Schedule III Exemption Provision, in which Horizons Financial Investment Corporation identified the following provisions of 17 C.F.R. 15c-3-3(k) under which Horizons Financial Investment Corporation claimed an exemption from 17 C.F.R. 240.15c3-3: under exemption provision 15c3-3k-1, and, Horizons Financial Investment Corporation stated they met the identified exemption provisions through the most recent fiscal year without exception.

Our review was conducted in accordance with the standards of the Public Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Horizons Financial Investment Corporation's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such opinion. Accordingly we do not express such opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)1 of Rule 15c3-3 under the Securities Exchange Act of 1934.

Harrison, Mauro & Morgan

February 16, 2015

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